

50 YEARS LATER:

REPORT ON ILLINOIS POVERTY

JANUARY 2014

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**SOCIAL IMPACT
RESEARCH CENTER**

A **HEARTLAND ALLIANCE** PROGRAM

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Social IMPACT Research Center

The Social IMPACT Research Center conducts applied research for nonprofits, foundations, advocacy groups, governments, coalitions, and the media to help them measure, inform, and grow their social impact. IMPACT also regularly reports on key poverty trends to equip decision makers with sound data to inform public policy.

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INTRODUCTION: TOWARD A GREAT SOCIETY

America holds a long-cherished reputation as a land of opportunity. Yet 50 years ago, more than one in five Americans lived in poverty. To combat this soaring inequality, President Lyndon B. Johnson declared a War on Poverty in his 1964 State of the Union address. The War on Poverty was part and parcel of Johnson's Great Society, a set of programs and policies designed to tackle social problems of the day. Fifty years later, how much progress has been made?

The 1960s were characterized by unprecedented living standards, but not all Americans shared in the growing prosperity. Large shares of the elderly, children, and African Americans were being left behind. The programs rolled out under the banner of the Great Society and the War on Poverty sought to remedy these disparities and defend the core American values of justice, equality, and opportunity. Its chief strategies included investments in education, health care, employment, and the safety net that gave rise to landmark anti-poverty programs including Head Start, Medicare, Medicaid, the Peace Corps, and Food Stamps.

These initiatives shepherded in significant progress. Poverty among seniors was drastically reduced with the expansion and advent of Social Security and Medicare, and battles for racial equality were won. The passage of the Civil Rights Act of 1964 and its intersection with War on Poverty programs (federal funding for institutions like schools and hospitals was often tied to desegregation requirements) opened doors of unheard of opportunity for millions of African Americans.

Despite important victories, poverty and its associated hardships are still realities for 1.9 million Illinoisans and 46.5 million Americans. Significant economic, demographic, and legislative shifts occurred in the last 50 years, and many War on Poverty programs were not large enough or designed to offset these significant changes. As a result, workers are worse off, with more people working full time but still falling below the poverty line. In addition, more women are poor, new veterans are facing new challenges, seniors are retiring into poverty, and racial inequality persists.

Half a century after our country committed to an "unconditional war on poverty," it's high time to recalibrate the war to fit 2014 realities. To that end, this report provides an unprecedented snapshot of the last 50 years and uses data on the modern face of poverty in Illinois to inform the retooling of existing solutions and spur new innovations to help end poverty.

**THIS ADMINISTRATION,
TODAY, HERE AND
NOW, DECLARES
UNCONDITIONAL
WAR ON POVERTY IN
AMERICA.**

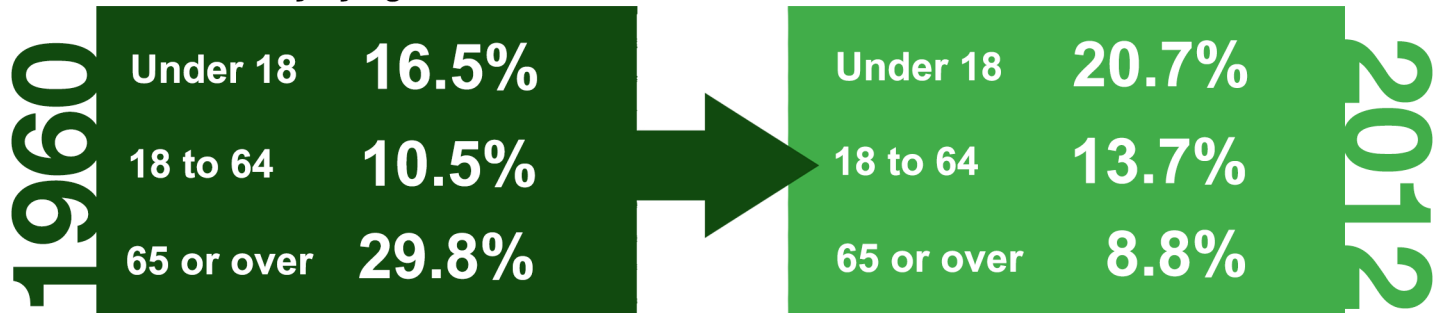
— LYNDON B. JOHNSON,
STATE OF THE UNION ADDRESS, 1964

POVERTY THEN AND NOW

Illinois Poverty¹



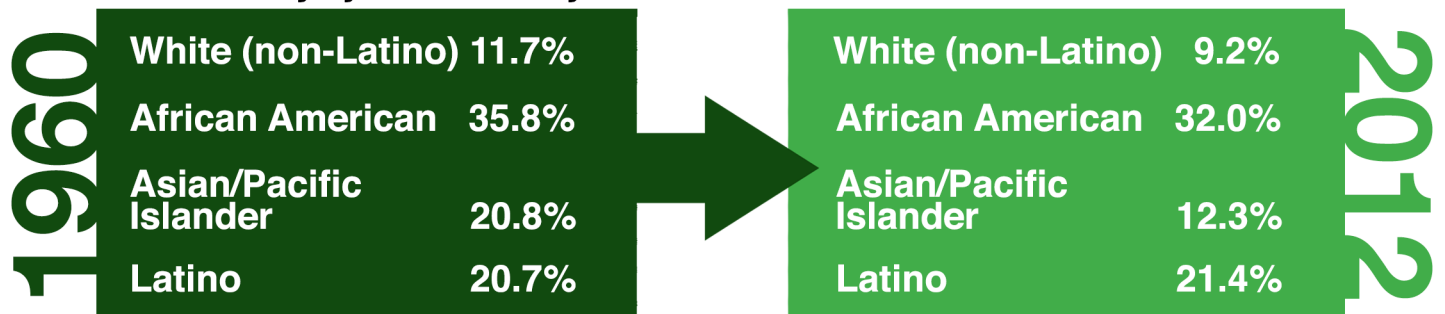
Illinois Poverty by Age²



Illinois Working Age (18-64) Poverty By Gender³



Illinois Poverty By Race/Ethnicity⁴



1. U.S. Census Bureau's 1960 decennial census and 2012 American Community Survey 1-year estimates program.

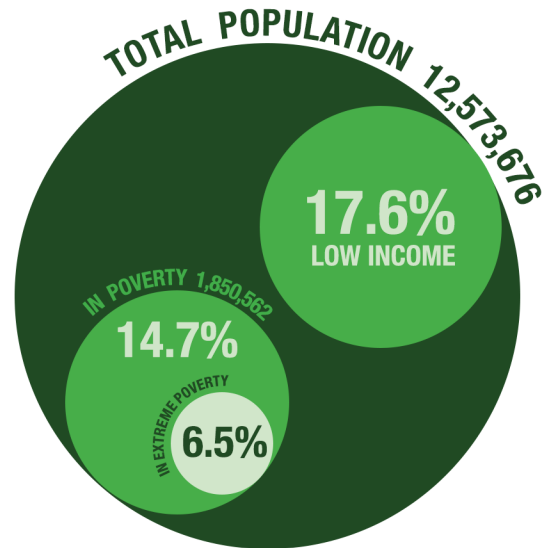
2, 3, 4. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 1960 public use microdata files and 2012 American Community Survey 1-year estimates program.

POVERTY THEN AND NOW

Scale of Illinois Poverty, 1960



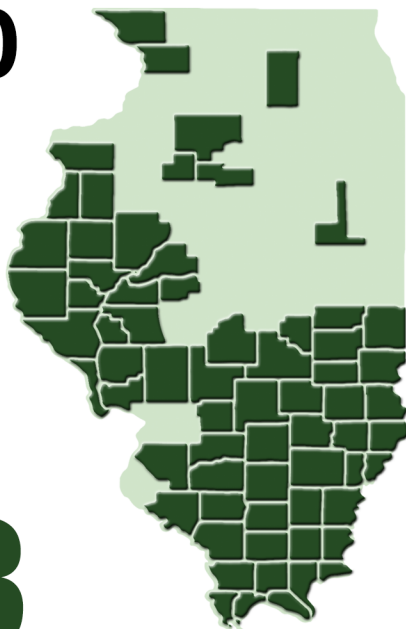
Scale of Illinois Poverty, 2012



Source: Social IMPACT Research Center's analysis of the U.S. Census Bureau's 1960 public use microdata files and 2012 American Community Survey 1-year estimates program.

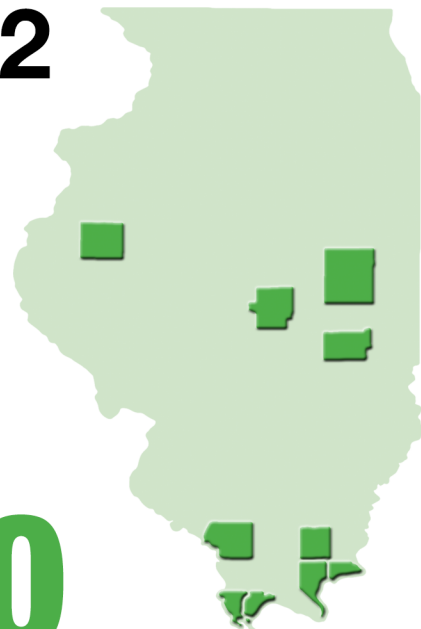
Number of Counties with Poverty Rate 20% or Higher

1960



68

2012



10

Source: U.S. Census Bureau's 1960 decennial census and Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 Small Area Income and Poverty Estimates.

POVERTY THEN AND NOW

Core Strategies and Key Programs of the War on Poverty

Many of the most important anti-poverty programs and policies in America were implemented in the 1960s or have roots traceable to the War on Poverty.¹

Increase human capital, employment, and earnings

- Head Start
- Increases in K-12 funding, including targeted resources for poor schools, more equal funding distribution between richer and poorer states, and desegregation
- Postsecondary financial aid, notably Pell Grants, the work-study program, and expansion of federally subsidized loans
- Job training and other workforce development programs

Raise incomes and living standards





- Nutrition programs, notably Food Stamps (now the Supplemental Nutrition Assistance Program, SNAP) and the School Breakfast Program
- Supplemental Security Income, SSI
- Aid to Families with Dependent Children, AFDC (now Temporary Assistance to Needy Families, TANF, or welfare)
- Earned Income Tax Credit, EITC
- Social Security expansion
- Housing initiatives, notably increases in public housing units and the precursor to today's Section 8 Housing Choice Voucher program

Improve access to medical care and health

- Medicare
- Medicaid
- Community health centers

Together these programs represent a multi-faceted approach to poverty reduction designed to improve income security and open the doors to opportunity for all Americans.

Federal Poverty Thresholds, 2012

Family Size	Extreme Poverty (0%-49% FPL)	Poverty (0%-99% FPL)	Low Income (100%-199% FPL)
	\$5,860	\$11,720	\$23,440
	\$7,469	\$14,937	\$29,874
	\$9,142	\$18,284	\$36,568
	\$11,746	\$23,492	\$46,984

Source: U.S. Census Bureau's Poverty thresholds for 2012 by size of family and number of related children under 18 years. Available at <http://www.census.gov/hhes/www/poverty/data/threshld/>

1. Baily, M.J., & Danziger, S. (Eds). (2013). *Legacies of the War on Poverty*. New York, NY: Russell Sage Foundation.

Why Is Poverty Still High Today?

Over the last 50 years, War on Poverty initiatives have had a powerful impact on the lives of millions of Americans. Despite their success in decreasing poverty and hardship for many people, 46.5 million Americans remain poor, 1.9 million of them in Illinois, leading to the question: why?

Dramatic Economic and Social Shifts Have Occurred in the Last 50 Years

The War on Poverty was designed to address poverty as it looked in the 1960s.¹ But the country has experienced dramatic economic, demographic, and legislative shifts in the last five decades, and many War on Poverty programs were simply not large enough or designed exactly right to offset these significant changes:

- Fundamental changes in the national economy have lowered employment and have distributed economic gains unevenly, largely leaving behind those at the bottom rung of the economic ladder.
- Employment itself has changed. Jobs accessible to people with low education and skill levels are far less likely to pay family-supporting wages and have benefits that promote economic security, like health insurance coverage and pensions.
- The intersection of family life and work is different. There are more two-earner families and more women in the workforce, which leads to much greater need for and expense around child care and transportation.
- The demographic composition of the population has changed, and today the population is older and more likely to be minority, immigrant, and in single female-headed households.
- Criminal justice policies have resulted in tremendous increases in incarceration rates, including large shares of African American men and boys, which has decreased the employment and earnings of millions of

people since employers are reluctant to hire them.

The Poverty Measure is Calibrated to a 1960s Reality

Further complicating our understanding of the efficacy of programs and policies to impact poverty is the fact that our primary tool for measuring poverty is in essence a faulty measuring stick.

The federal poverty measure was established in the 1960s and has two basic components:

- the annual income threshold that denotes the cutoff point for being considered poor
- the calculation for determining what income and other resources are counted as family income

The measure has undergone only minor methodological tweaks and is simply updated for inflation each year. Both components of the measure are now outdated:

- the threshold level is far too low to be considered a fair estimate of what modern families need to get by since it's based on outdated assumptions about basic needs
- the income calculation fails to count the monetary value of many of the War on Poverty and subsequent anti-poverty programs as family income

What this means for understanding poverty shifts over the last 50 years is that the poverty measure provides an incomplete picture of both what today's economy requires to be financially secure and how millions of people are helped by programs designed to alleviate poverty.

Despite its limitations, the official federal poverty measure is the only measure that goes back to the 1960s with a consistent methodology, and so it has usefulness for painting a comparable picture of poverty over the years. Also, the measure does take into account many influential War on Poverty initiatives and other programs, such as Social Security, and so can help us understand the impact of some programs and policies in reducing poverty.

1. For many of its analyses of the U.S. Census Bureau's public use microdata files, the Social IMPACT Research Center used Ruggles, S., J., Alexander, T., Genadek, K., Goeken, R., Schroeder, M.B., & Sobek, M. (2010). *Integrated Public Use Microdata Series: Version 5.0*. (Machine-readable database). Minneapolis: University of Minnesota.

War on Poverty Programs Have Made an Impact

New and emerging measures have attempted to address the inadequacies of the official measure by building new thresholds that are more reflective of the modern cost of living and that count a more diverse array of programs as income. These new measures help illuminate the legacy of the War on Poverty and reveal that anti-poverty programs make sizable dents in the poverty rate, helping millions of Americans move out of poverty.

The individual impact of any one given program is itself striking, but when researchers look at the cumulative impact, the results are even more telling: Using a more realistic threshold, and without government programs, the national poverty rate wouldn't be near today's 15 percent or even 19 percent as in the 1960s. It would be 31 percent—almost a third of our population.¹

Effects of other key programs and efforts are more difficult to quantify but are no less important in the fight against poverty. Public health insurance, for instance, does not have a translatable monetary value like a housing subsidy does, but Medicaid and Medicare's role in keeping people healthy, increasing life expectancy, and preventing financial ruin when a health catastrophe strikes surely impacts poverty. Similarly, educational efforts like Head Start, increases to and more equitable distribution of K-12 school funding, and financial aid for post-secondary education have opened doors of opportunity to a better economic future for countless students.

Critical anti-poverty measures aren't just all historical or all federal. Illinois has taken several important steps in recent years to address poverty, among them:²

- Providing health care coverage for over 340,000 uninsured, low-income adults without dependent children by expanding Medicaid under the Affordable Care Act.
- Promoting the hiring of individuals with

criminal backgrounds by allowing for more non-violent felony offenses to be sealed and by moving inquiries about criminal backgrounds to later in the state hiring process.

- Ensuring protections for renters when their landlords are foreclosed upon, including adequate notice to move and provisions that most leases survive a foreclosure so renters aren't thrust into homelessness.
- Removing the asset test from the state's TANF program (welfare) so families are not discouraged from building emergency savings in order to receive assistance.

Percentage Point Change in Poverty Rates as a Result of Anti-Poverty Programs, 2012

Program	All People	Children	65 years and older
Social Security	-8.5%	-2.0%	-39.9%
Refundable Tax Credits	-3.0%	-6.7%	-0.2%
SNAP (Food Stamps)	-1.6%	-3.0%	-0.8%
Unemployment Insurance	-0.8%	-0.8%	-0.3%
SSI (disability payments)	-1.1%	-0.9%	-1.2%
Housing Subsidies	-0.9%	-1.4%	-1.2%
Child Support Received	-0.4%	-1.0%	-0.1%
School Lunch	-0.4%	-0.9%	-0.1%
TANF/General Assistance (welfare)	-0.2%	-0.5%	-0.1%
WIC (nutritional assistance)	-0.1%	-0.3%	-0.0%
LIHEAP (energy assistance)	-0.1%	-0.1%	-0.1%

Source: Short, K. (2013). *The Research Supplemental Poverty Measure: 2012*. Current Population Reports P60-247. Washington, DC: U.S. Census Bureau.

1. Fox, L., Garfinkel, I., Kaushal, N., Waldfogel, J., & Wimer, C. (2013, November). *Waging the War on Poverty: Historical trends in poverty using the Supplemental Poverty Measure*. Paper presented at the 2013 Association for Public Policy and Management Conference in Washington, DC. New York: Columbia University.

2. Drew, K. (2013, September). *Illinois Commission on the Elimination of Poverty annual report*. Chicago: Heartland Alliance for Human Needs & Human Rights.

PROFILE OF ILLINOIS POVERTY

Education, employment, health, housing, nutrition, and assets are each an important and interconnected stepping stone on the pathway out of poverty. For many families living on the brink of poverty all it takes is one medical emergency during a period of uninsurance, one mass layoff, or one eviction to catapult them into poverty and hardship. These factors exist in a symbiotic relationship whereby these hardships can induce poverty and poverty can reinforce hardship.



1. The Basic Economic Security Tables™ were tabulated in cooperation with the Social IMPACT Research Center, Wider Opportunities for Women (WOW), and by the Center for Social Development at Washington University—St. Louis as part of the national BEST™ Initiative led by WOW. On file with author. Reflects one parent family with a preschooler and schoolage child.

2. Illinois Department of Employment Security. *Local Area Unemployment Statistics (LAUS)*. Available at <http://www.ides.illinois.gov/page.aspx?item=908>. Seasonally adjusted.

3, 5. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year estimates program.

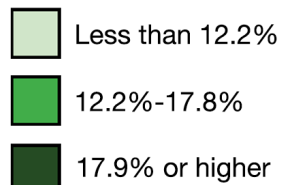
6. Feeding America. (2013). *Map the Meal Gap, food insecurity in your county*. Available at <http://feedingamerica.org/hunger-in-america/hunger-studies/map-the-meal-gap.aspx>

7. CFED. (2014). *2014 Assets & opportunity scorecard*. Available at <http://scorecard.assetsandopportunity.org/2014/state/il>. Percentage of households without sufficient liquid assets to subsist at the poverty level for three months in the absence of income, 2011.

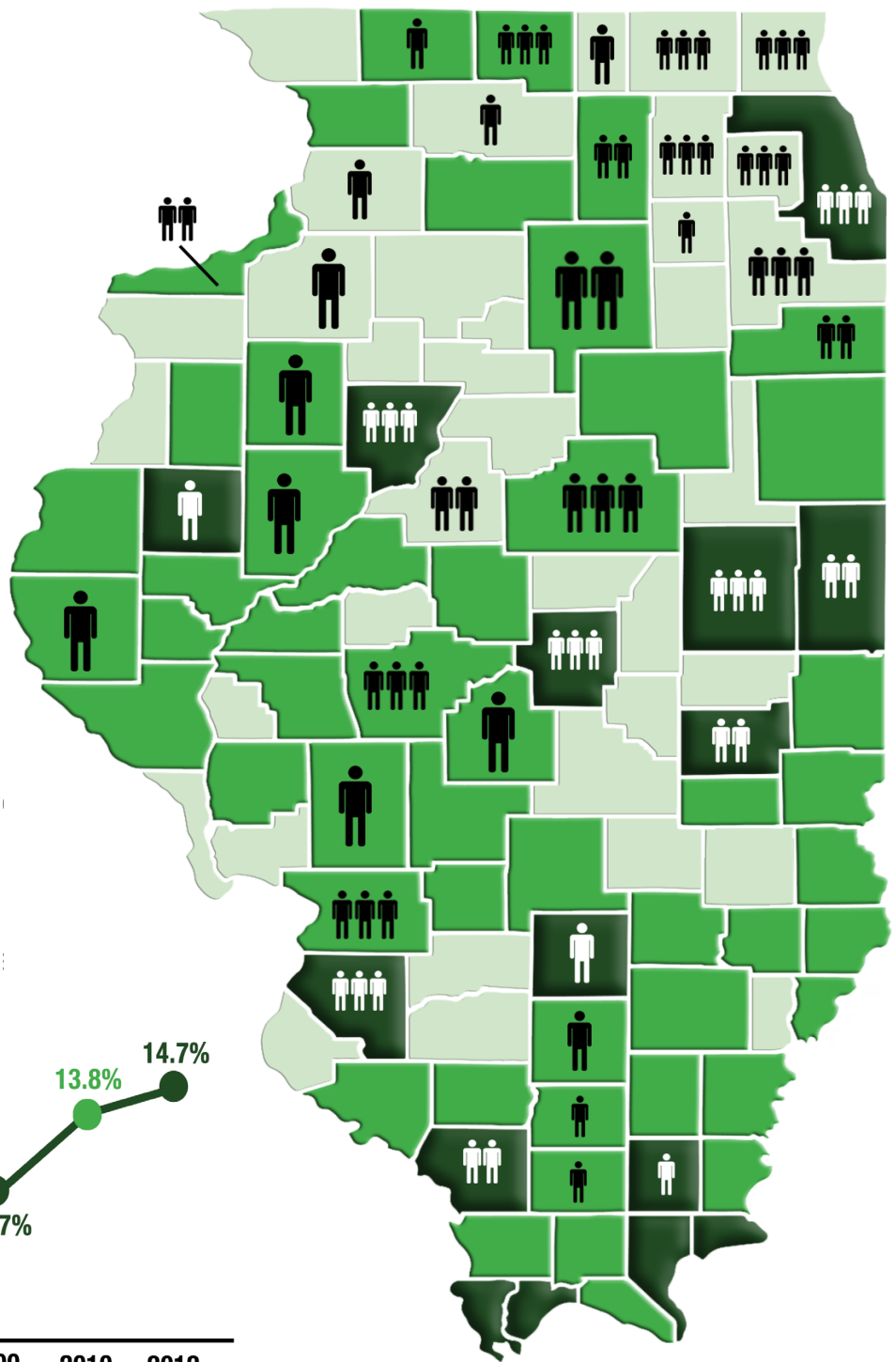
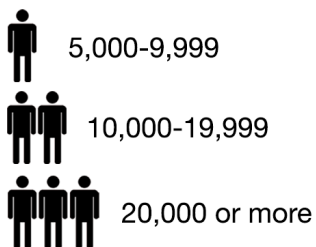
PROFILE OF ILLINOIS POVERTY

Illinois Poverty by County, 2012

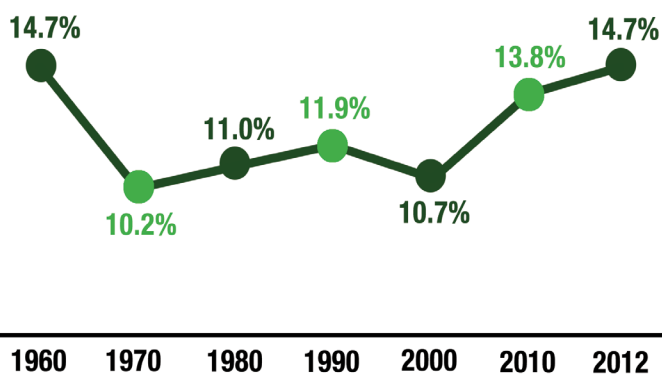
Poverty Rate



Number in Poverty



Illinois Poverty Over Time



Source: U.S. Census Bureau's decennial censuses and 2010 and 2012 American Community Surveys 1-year estimates program.

Source: Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 Small Area Income and Poverty Estimates.

50 YEARS LATER: CHANGING FACES OF POVERTY

Today's reality is different than it was 50 years ago, and our awareness as a society about who is struggling has evolved:

- **Workers are worse off.** For many workers, work doesn't pay for what it used to.
- **More women are poor.** Despite increases in women working, women still earn less than men and are more likely to experience poverty across the lifespan.
- **Racial inequality persists.** Despite dramatic progress in the last 50 years, communities of color are still disproportionately likely to experience poverty and hardship.
- **Seniors are retiring into poverty.** The ranks of the elderly are growing, and though poverty remains low for seniors, economic insecurity persists.
- **Some veterans aren't getting the help they need.** Veterans with a discharge status other than honorable are the least likely to get assistance through traditional channels and can be among those most in need, and post-9/11 veterans face new challenges.
- **Suburban prosperity has declined.** Suburbs are seeing ballooning rates of poverty and hardship without a corresponding investment in human services infrastructure.
- **"Invisible" groups are at risk of falling through the cracks.** Many of the most vulnerable people in society including people experiencing homelessness, people who are currently or formerly incarcerated, people

without legal immigration status, and people with mental health and substance use issues aren't even included or are undercounted in poverty estimates.

This chapter addresses these changing faces of poverty in Illinois, providing a glimpse of the scale and scope of poverty and hardship for each.

Witnesses to Poverty

Behind each statistic in this report are very real people with complicated struggles whose voices we need to hear in order to begin to understand what it means to be poor. Visit www.ILPovertyReport.org to listen to stories of Illinoisans from around the state who have witnessed poverty and hardship and have graciously shared their stories with us.

**TODAY'S REALITY IS
DIFFERENT THAN IT
WAS 50 YEARS AGO,
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WHO IS STRUGGLING
HAS EVOLVED.**

CHANGING FACES OF POVERTY WORKING FAMILIES

Economic growth in the last 50 years hasn't reached all rungs of the economic ladder. Workers at the bottom have experienced wage stagnation and the erosion of benefits and supports, like pensions, that help ensure family financial stability over the long term. The end result? For many working families, work no longer covers the basic costs of living.

388,000

Illinoisans live in families where someone works full time, year round but they are still poor.¹

The monthly cost of childcare for an Illinois family with a preschooler and a school-age child is higher than the entire monthly earnings of a full-time minimum wage worker.²

Monthly Cost of Child Care **\$1,469**

Minimum Wage Monthly Earnings **\$1,430**

Since 2008, an estimated 267,000 Illinois children have been affected by foreclosures.³

While the incomes of the richest households have increased, the poorest households have lost ground.⁴

Top 5th of Households

Average Income, 2010

\$173,458 Income change
2000 to 2007
+11.4%

Bottom 5th of Households

Average Income, 2010

\$20,850 Income change
2000 to 2007
-15.2%

1. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year public use microdata files

2. The Basic Economic Security Tables™ were tabulated in cooperation with the Social IMPACT Research Center, Wider Opportunities for Women (WOW), and by the Center for Social Development at Washington University—St. Louis as part of the national BEST™ Initiative led by WOW. On file with author. Reflects one parent family with a preschooler and schoolage child. Illinois's minimum wage is \$8.25 an hour.

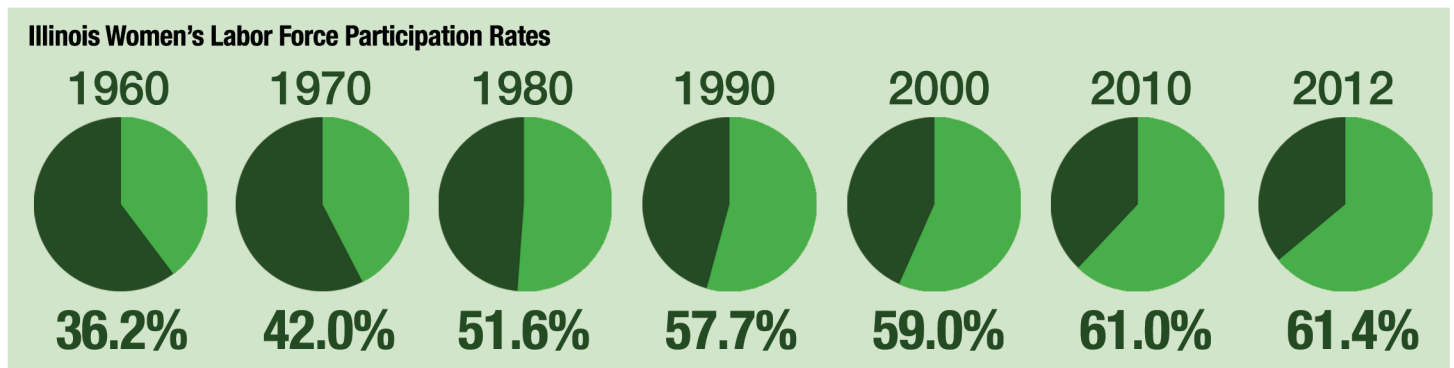
3. Isaacs, J. B. (2012, April). *The ongoing impact of foreclosures on children*. Washington, DC: Brookings Institution.

4. McNichol, E., Hall, D., Cooper, D., & Palacios, V. (2012, November). *Pulling Apart: A state-by-state analysis of income trends*. Washington, DC: Center for Budget and Policy Priorities & Economic Policy Institute. Figures are in 2009 dollars.

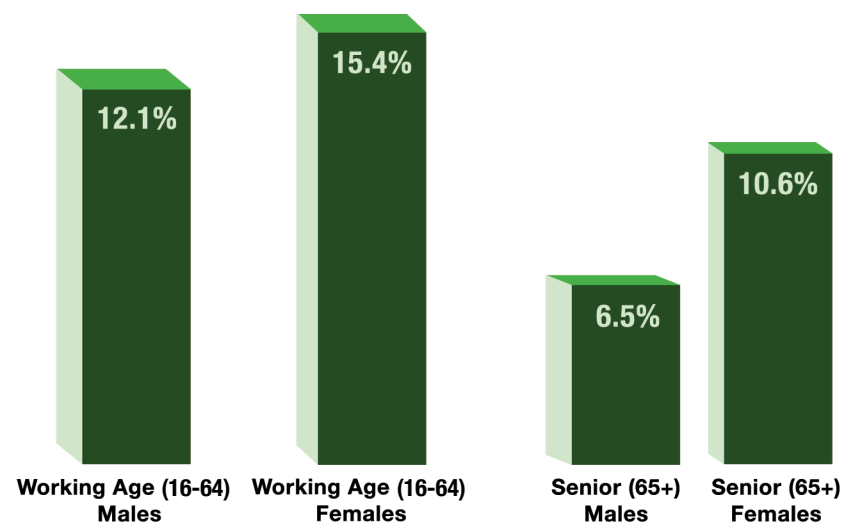
CHANGING FACES OF POVERTY WOMEN

Over the last 50 years women entered the workforce in droves. The resulting advances in earning power and economic independence drove a rise in women-headed households. But with women still being paid less for equal work, with many households lacking a second wage earner or potential wage earner, and with women still bearing more caregiving responsibilities for their families, women are still more likely to be poor across the lifespan than men.

Illinois women's participation in the labor market has nearly doubled since the 1960s, yet women still only earn 77 cents for each dollar men make.¹



Women have disproportionately higher poverty rates than their male counterparts during their working years and across their lifespan.²



In the Chicago area, women are also more likely to face discriminatory lending practices. After controlling for the affordability of the loan, female applicants are

8% less likely than a male applicant to have purchase mortgages originated and

21% less likely to have refinance mortgages originated.³

1. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 1960, 1970, 1980, and 1990 decennial census public use microdata and the 2010 and 2012 American Community Survey 1-year estimates program. Earnings comparison is between full-time, year-round workers.

2. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year estimates program.

3. Woodstock Institute. (2013, March). *Fact sheet: Unequal opportunity, disparate mortgage origination patterns for women in the Chicago area*. Chicago: Author. Mortgages originated are those where the applicant received the loan applied for.

CHANGING FACES OF POVERTY MINORITIES

Despite dramatic progress in the last 50 years, communities of color are still disproportionately likely to experience poverty and hardship. Racial disparities are caused by a mix of historic and current policies that create barriers to equal opportunity in a host of arenas including schools, housing, and employment.

Illinois African Americans generally have higher unemployment rates than other race and ethnic groups, and young black men are particularly hard hit with

**NEARLY
1 in 2
BLACK MALES
AGE 16-24
UNEMPLOYED¹**

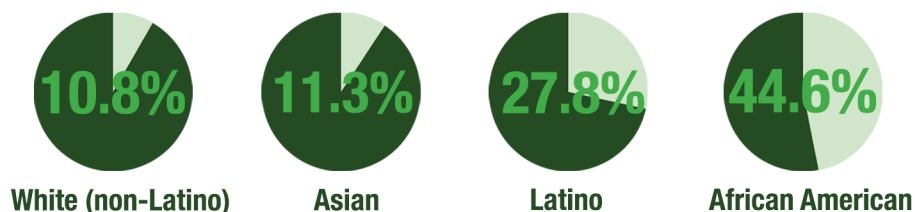
Households of color in Illinois are **1.9** times as likely to be liquid asset poor as white households.²

Liquid Asset Poverty Rate, 2011

White Households **30.1%** Minority Households **55.9%**

Illinois children of color are disproportionately affected by poverty.³

Illinois Child Poverty by Race, 2012



Segregation persists in the city of Chicago, where 48 of the 77 community areas are majority minority. The poorest community areas, all majority African American, have poverty rates more than double the rate of the city as a whole.⁴

North Lawndale



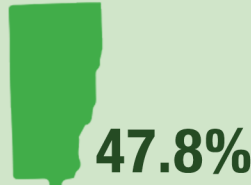
East Garfield Park



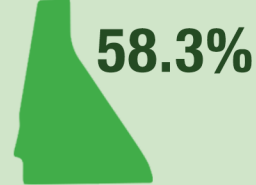
Burnside



Englewood



Riverdale



1. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year estimates program.

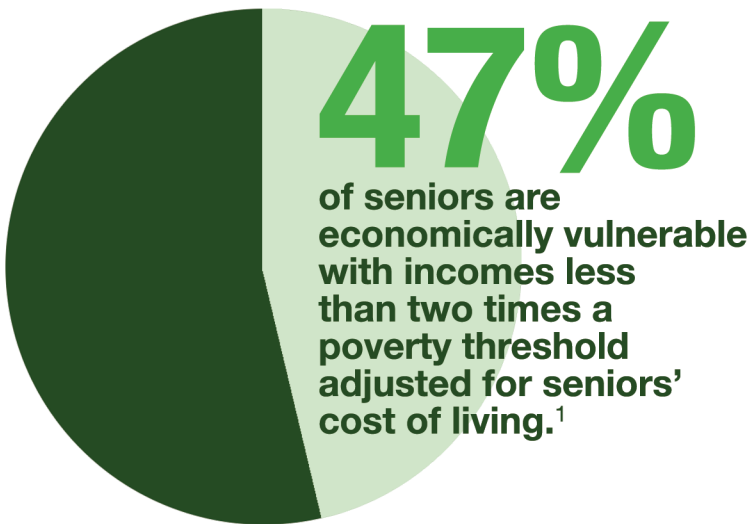
2. CFED. (2014). *2014 Assets & opportunity scorecard*. Available at <http://scorecard.assetsandopportunity.org/2014/state/il>. Percentage of households without sufficient liquid assets to subsist at the poverty level for three months in the absence of income, 2011.

3. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year estimates program.

4. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year estimates program. Majority minority communities are those where one minority group is 50% or more of the population.

CHANGING FACES OF POVERTY SENIORS

Public investments in programs for seniors dramatically reduced elderly poverty, demonstrating the efficacy of government action when the political will exists. But the ranks of the elderly are growing, and though poverty remains low for seniors, economic insecurity persists.



Older Illinois seniors and seniors of color are disproportionately impacted by poverty.²

Age	Number in Poverty	Poverty Rate
All seniors	144,071	8.8%
65-74	74,482	8.2%
75+	69,589	9.7%

Over the last decade, more Illinois seniors are having to work to make ends meet, but senior unemployment has skyrocketed.³

Percent Change
from 2000-2012

Senior Population	+13%
Seniors in Labor Force	+40%
Unemployed Seniors	+81%

Race	Number in Poverty	Poverty Rate
White, non-Latino	85,802	6.7%
African American	34,843	18.9%
Asian	7,067	12.0%
Latino	15,296	16.5%

1. Gould, E., & Cooper, D. (2013, June). *Financial security of elderly Americans at risk*. Washington, DC: Economic Policy Institute. Analysis uses the Supplemental Poverty Measure.

2. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year estimates program.

3. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2000 decennial census and 2012 American Community Survey 1-year estimates program.

CHANGING FACES OF POVERTY VETERANS

In many respects, veterans are better off economically than their non-veteran counterparts. But this is too simplistic a view and masks the challenges many veterans face when returning home from service as well as the demographic and social changes taking place in the veteran population.

**There are over
85,000**

**new veterans living in Illinois, and
a growing number are women.¹**

Share of Veterans who are Female²

Post-Vietnam Veterans **8.0%**

Post-9/11 Veterans **18.0%**

**New veterans in Illinois had the 5th
highest unemployment rate of all
states in 2012. African American
and female veterans fare even
worse.³**

Unemployment Rates for New Veterans, 2012

New Veterans.....10.6%

Male New Veterans.....9.9%

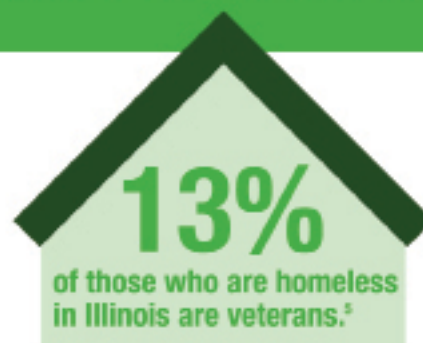
Female New Veterans.....14.5%

**White, non-Latino
New Veterans.....8.7%**

**African American
New Veterans.....22.2%**



**Of new veterans do not have honorable
discharge status and are among the
most vulnerable veterans since
access to veterans benefits is based
in part on discharge status.⁴**



1. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year estimates program. New veterans are those who have served in the military since the beginning of Operation Enduring Freedom in 2001.

2. Carrow, L., Rynell, A., & Terpstra, A. (2012, December). *New veterans in Illinois: A call to action*. Chicago: Social IMPACT Research Center.

3. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year public use microdata files.

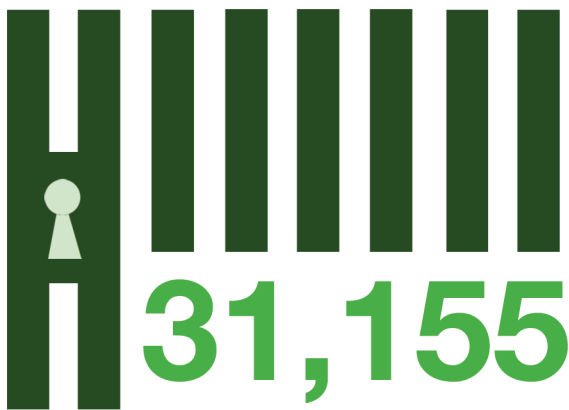
4. Carrow, L., Rynell, A., & Terpstra, A. (2012, December). *New Veterans in Illinois: A Demographic snapshot, picture of need, and utilization of services*. Chicago: Social IMPACT Research Center.

5. Illinois Department of Veterans Affairs. (2013, October). *Illinois veterans: Demographics, challenges, and strengths*. Springfield, IL: Author.

CHANGING FACES OF POVERTY

THE “INVISIBLE”

We need quality information and data in order to make informed decisions about how to fight poverty. Yet, many of the most vulnerable people in society, including people experiencing homelessness, people who are or were formerly incarcerated, people without legal immigration status, and people with mental health and substance use issues aren't even counted or aren't counted accurately in poverty estimates.



people were released from Illinois prisons in 2011, joining hundreds of thousands of other Illinoisans whose records represent significant barriers to getting jobs, finding housing, and accessing other supports.¹

There are an estimated
450,000

undocumented immigrants in Illinois who are not eligible for many anti-poverty programs and services.²

14,144

Illinoisans were homeless at least one night in 2012.³

3.2%

of Illinoisans age 18 and over have a serious mental illness, making them more vulnerable to poverty.⁴

1. Carson, E. & Sabol, W. (2012, December). *Prisoners in 2011*. Washington, DC: U.S. Department of Justice, Bureau of Justice Statistics.

2. Passel, J., Cohn, D., & Gonzales-Barrera, A. (2013, September). *New estimate: 11.7 million in 2012*. Washington, DC: Pew Research Center.

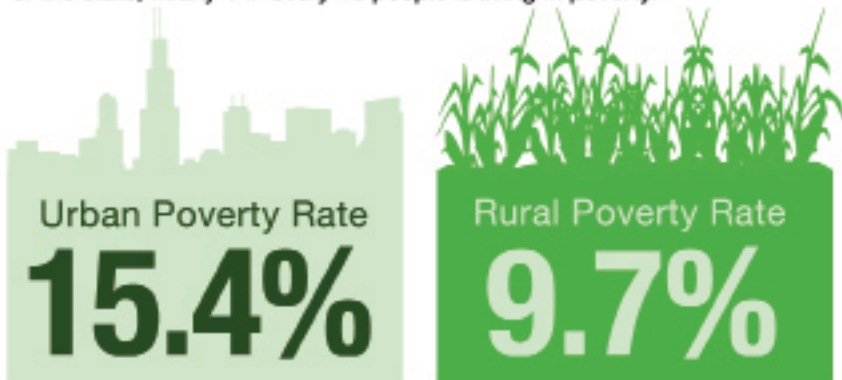
3. National Alliance to End Homelessness. (2013). *The state of homelessness in America 2013*. Washington, DC: Author.

4. Substance Abuse and Mental Health Services Administration. (2013, October) *2011-2012 national survey on drug use and health: Model-based prevalence estimates (50 states and the District of Columbia)*. Rockville: Author.

CHANGING FACES OF POVERTY REGIONS

Poverty exists in every corner of Illinois from urban cores, to outlying suburbs, to remote rural areas. Yet the geography of poverty has shifted in the last 50 years. While urban and rural poverty persisted, suburbs experienced growing, then peaking, then declining prosperity. Today, the suburbs are seeing ballooning rates of poverty and hardship, and many communities are finding it difficult to shore up the necessary human services infrastructure.

Urban poverty in Illinois remains higher than rural poverty, but in rural areas of the state, nearly 1 in every 10 people is living in poverty.¹



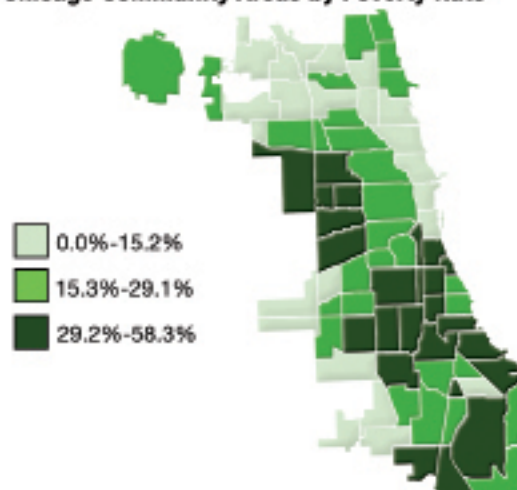
Chicago Region Poverty, 2012³

Geography	Extreme Poverty (under 50% FPL)	Poverty (under 100% FPL)	Low Income (100%-199% FPL)
Chicago	282,821 (10.6%)	636,319 (23.9%)	573,258 (21.5%)
Suburban Cook County	122,297 (4.9%)	286,839 (11.5%)	408,565 (16.4%)
Cook County	405,118 (7.9%)	923,158 (17.9%)	981,823 (19.1%)
DuPage County	30,791 (3.4%)	65,626 (7.2%)	108,335 (11.8%)
Kane County	23,387 (4.5%)	62,207 (12.1%)	98,528 (19.1%)
Lake County	30,314 (4.4%)	63,298 (9.3%)	109,660 (16.0%)
McHenry County	7,279 (2.4%)	24,232 (7.9%)	34,285 (11.2%)
Will County	23,259 (3.5%)	56,033 (8.3%)	87,960 (13.0%)
6-County Region	520,148 (6.3%)	1,194,554 (14.5%)	1,420,591 (17.2%)

Suburban poverty growth has far outpaced population growth in the Chicago region since the 1980s; half of the region's poor population now lives in the suburbs.²

Increase in Suburban Population: **29.0%**
Increase in Suburban Poor Population: **95.0%**

Chicago Community Areas by Poverty Rate⁴



1. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year estimates program.

2. Clary, J., Kriesberg, N., & Terpolse, A. (2013, September). It's now 50/50: Chicago region poverty growth is a suburban story. Chicago: Social IMPACT Research Center.

3. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 1-year estimates program.

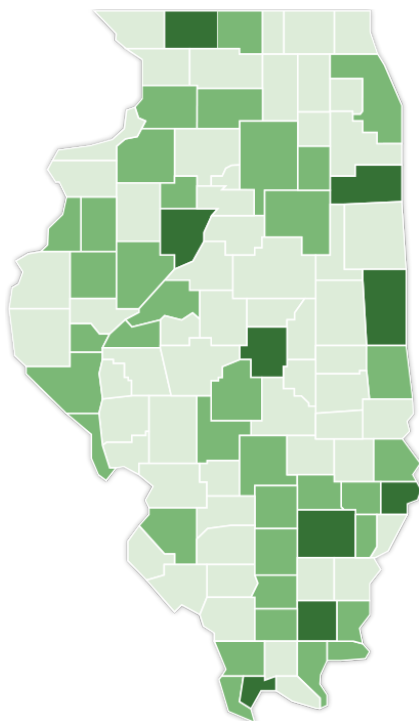
4. Social IMPACT Research Center's analysis of the U.S. Census Bureau's 2012 American Community Survey 5-year estimates program.

COUNTY WELL-BEING INDEX

As we strive to realize the ideals of a Great Society characterized by equal opportunity for all, it's paramount to look at poverty not only at the national and state levels, but also locally. This Well-Being Index highlights counties that are experiencing particularly negative conditions and trends on four key indicators: poverty, unemployment, teen births, and high school graduation.

Counties are evaluated using a point system, with a higher number of points indicating a worse score. A county receives a point if its rate is worse than the state average and/or if it has worsened since the previous year, for a total of 8 possible points. The County Well-Being Index for 2014 has been calculated out of a total of 7 points rather than 8 due to the delayed release of new teen birth data and should not be compared to other years.

This year, 45 out of 102 Illinois counties are on either the Poverty Watch or the Poverty Warning lists.



Watch List

County has an indicator score of 4 or 5 and needs to be monitored.

- Alexander
- Brown
- Calhoun
- Cass
- Christian
- Clay
- Cook
- Crawford
- Edgar
- Edwards
- Fayette
- Franklin
- Fulton
- Gallatin
- Grundy
- Hardin
- Henderson
- Henry
- Jefferson
- LaSalle
- Lee
- Livingston
- Marion
- Mason
- McDonough
- Montgomery
- Pike
- Pope
- Richland
- St. Clair
- Stark
- Union
- Warren
- Whiteside
- Williamson
- Winnebago

Warning List

County has an indicator score of 6, 7, or 8 and needs to initiate corrective action.

- Kankakee
- Lawrence
- Macon
- Peoria
- Pulaski
- Saline
- Stephenson
- Vermilion
- Wayne

Get county data from ILPovertyReport.org

NEXT STEPS TOWARD A GREAT SOCIETY

The broad types of solutions we need to create a Great Society haven't necessarily changed over the last 50 years—we still need programs and policies that help mitigate the very worst effects of poverty, those that help move people out of poverty, and others to help keep people out of poverty. We still need solutions that address the economic and education roots of poverty and that address hardship in housing and health. What has changed is how we target our solutions to those in need today and how we structure our programs and policies to be tailored to the modern realities families face.

All sectors—federal, state, and local governments, nonprofits, faith-based institutions, businesses, and individuals—have roles to play in helping the state and the nation achieve the ideal of a Great Society characterized by ample opportunity for all people to live secure and fulfilled lives. This section highlights a variety of ways that different facets of society can contribute to achieving a Greater Society in Illinois and across the nation.

As President Johnson acknowledged 50 years ago, this will “not be a short or easy struggle... but we shall not rest until that war is won. The richest Nation on earth can afford to win it. We cannot afford to lose it.”¹

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1. The State of the Union Address. (1964). Available at <http://www.pbs.org/wgbh/americanexperience/features/primary-resources/lbj-union64/>

MITIGATING POVERTY

The following government policies and programs, if protected or enacted, can mitigate the worst effects of poverty by providing immediate help to those in need of a roof over their head for a night, access to emergency health care, or other urgent services.

Federal Government

- Fund homeless prevention, housing assistance, and service programs that give immediate relief from unsafe, unhealthy, and unstable living conditions and those that end homelessness for people who otherwise would have difficulty staying housed.
- Fund programs such as charity hospitals, federally qualified health centers, and Ryan White HIV services that provide emergency care and access to health care for those who fall into insurance and system gaps.
- Extend expiring Medicaid and Children's Health Insurance Program (CHIP) provisions that provide health coverage to families that leave welfare for work, assist low-income seniors and people with disabilities with their Medicare premiums, and increase the proportion of eligible low-income children who are enrolled in Medicaid and CHIP.
- Maintain the social safety net through protection of existing effective programs.
- Support funding for programs that help survivors of human trafficking, unaccompanied children, refugees, and survivors of torture escape danger and connect with services, employment, and housing that allow them to participate in community life.
- Strengthen regulations of predatory loan products and financial services that trap families in a cycle of debt.

Illinois State Government

- Fund homeless prevention, housing assistance, and service programs that give immediate relief from unsafe, unhealthy, and unstable living conditions and those that end homelessness for people who otherwise would have difficulty staying housed.
- Fully restore cuts to adult dental services in the Medicaid Program.
- Protect state funding for housing and health care programs aimed at those who will remain uninsured despite passage of the Affordable Care Act, such as behavioral health services, supportive housing services, and case management.
- Adequately fund safety net programs that mitigate the effects of extreme poverty on individuals and families, such as TANF cash assistance and Aid to the Aged, Blind, and Disabled.
- Strengthen regulations of payday and auto-title loan products and alternative financial services that target low- and moderate-income households.

MOVING OUT OF POVERTY

The following government policies and programs, if protected or enacted, can help people move out of poverty by making housing and food more affordable, providing support during unemployment, and promoting savings.

Federal Government

- Invest in and protect funding for programs that help individuals and families maintain housing, such as investing in the Housing Choice Voucher program and programs that preserve affordable housing.
- Restore Budget Control Act and Sequestration cuts to housing subsidies and preserve affordable housing, programs and policies that make housing affordable so people can work toward greater economic independence.
- Reverse recent cuts in the Supplemental Nutrition Assistance Program (SNAP).
- Make jobs available to all who want to work by investing in subsidized and transitional jobs.
- Protect funding for Assets for Independence (AFI), which empowers individuals to save for their future, and explore opportunities to expand this program to include credit building opportunities.
- Expand the Savers Credit to include savings incentives for lower-income families to save for college or emergencies in addition to retirement.

Illinois State Government

- Expand access to health care by setting up an Illinois state-based health insurance marketplace that streamlines the transition between the Marketplace and Medicaid.
- Prioritize programs and policies that provide for more regular access to preventive health services such as preventive dental care.
- Make jobs available to all who want to work by investing in subsidized and transitional jobs.
- Pass an Illinois Domestic Workers' Bill of Rights to ensure domestic workers are given the respect, dignity, and protection they deserve as equal members of our state's workforce.
- Ensure fair pay and working conditions by advancing laws and policies that include employment protections for people who have historically been excluded, such as domestic workers and agricultural workers.
- Protect state funding for human services programs such as job training, child care, substance abuse, and community mental health programs that support individuals and families in moving out of poverty.
- Invest in brighter futures for our children by creating an Illinois Children Savings Account Program that provides a savings account for every child.
- Expand access to the Illinois Bright Start program through structural changes that make it easier for families to save for their child's college education.

KEEPING OUT OF POVERTY

The following government policies and programs, if protected or enacted, can help keep people out of poverty by opening doors to opportunity, emphasizing prevention, improving wages, and providing avenues for retirement savings.

Federal Government

- Support programs that create a variety of housing options and sustainable communities including housing mobility counseling and the National Housing Trust Fund.
- Restore cuts to the Public Health and Prevention Fund (created through the Affordable Care Act) and protect future funding.
- Provide a safety net for the long-term unemployed by extending Unemployment Insurance.
- Increase the federal minimum wage.
- Support earned sick days and paid family and medical leave insurance policies that will prevent more workers from being denied the time to tend to their own or a family member's health or care for a new child.
- Make higher education attainable for all by making sure college is affordable for everyone who wants to go, that student loan debt does not become too burdensome, and that community colleges are successful gateways to economic prosperity.
- Bolster the safety net for those who cannot work to ensure that they have an adequate income to still live lives of dignity.

Illinois State Government

- Ensure health insurance plans sold in Illinois serve the best interest of consumers by protecting consumers from limited, narrow networks and inappropriate out-of-pocket costs.
- Include services in Medicaid that ensure that individuals can maintain a healthy lifestyle within their community (e.g., HIV/AIDS education and prevention, smoking cessation, obesity prevention).
- Increase Illinois's minimum wage.
- Ensure all Illinois workers have access to employer-based retirement savings accounts.
- Support earned sick days and paid family and medical leave insurance policies that will prevent more workers from being denied the time to tend to their own or a family member's health or care for a new child.
- Make higher education attainable for all by making sure college is affordable for everyone who wants to go, that student loan debt does not become too burdensome, and that community colleges are successful gateways to economic prosperity.
- Raise the income eligibility threshold for child care assistance to 200% of the federal poverty level to ensure that costly child care does not financially undue the economic benefits of employment for working families.

GET INVOLVED

ROLES FOR OTHER SECTORS

Role for Individuals and Faith-based Organizations in Ending Poverty

1. **Donate.** Additional resources are needed to support innovations in service delivery, expansion of key services, and creation of new responses. Help raise funds for anti-poverty programs by hosting fundraisers or making personal donations to local foundations or service providers.
2. **Spread the word.** Educate others about the importance of addressing poverty through your social networks and write letters to the editor about the importance of supporting solutions to poverty.
3. **Volunteer your time.** Join an advocacy group, volunteer with service providers, or become a board member of a nonprofit working to end poverty.
4. **Sponsor a discussion on poverty.** Raising awareness is a first step in the solution. Help raise awareness of poverty by focusing a talk, meeting, sermon, or event with groups you are affiliated with such as your church, library, book club, Rotary Club, Kiwanis, or Junior League.
5. **Advocate.** Raise the issue with people running for local office, and respond to state and federal action alerts about funding and policy for antipoverty programs.
6. **Purchase wisely.** Buy goods and services from local social enterprises that employ unemployed or underemployed workers and from socially responsible businesses.
7. **Learn about new health insurance opportunities.** Obtain health insurance through GetCoveredIllinois.gov if uninsured, and share information with friends and family about the health insurance options available through GetCoveredIllinois.gov.

Role for Businesses in Ending Poverty

1. **Pay family supporting wages.** Invest in your employees by paying living wages that keep individuals and families out of poverty.
2. **Support well-being of employees.** Offer paid sick time off to all employees.
3. **Promote health insurance.** Provide health insurance to employees or connect employees with GetCoveredIllinois.gov so they can obtain health insurance.
4. **Support retirement savings.** Provide access to employer-based retirement savings so that employees can more easily build a financially secure retirement.
5. **Partner with employment programs.** Form partnerships to give chronically unemployed workers at chance at employment.
6. **Help employees build a stable financial future.** Provide access to financial education and empowerment opportunities.
7. **Improve hiring policies.** Remove barriers to employment for individuals with criminal backgrounds.
8. **Provide access to bank accounts.** Financial institutions should provide greater access to basic savings and checking accounts with no fees, minimal opening and monthly deposits, and no overdraft for unbanked individuals.
9. **Be a good neighbor.** Donate your expertise, time, and resources to local community organizations that are fighting poverty.

GLOSSARY

OF TERMS

Affordable Care Act (ACA)

ACA is a law that puts in place comprehensive health insurance reforms intended to improve quality and lower health care costs, add new consumer protections, and increase access to health care. Learn more about the [ACA](#).

Assets

Assets are the building blocks of long-term financial stability and success for people at all income levels. They are described as liquid assets if they can be easily turned into cash (e.g. back accounts, stocks, bonds, and retirement accounts). Other assets are that are more difficult to turn into cash include a college education, a business, vehicles, homes, and other real estate. To be truly financially stable and secure, families must have both adequate income and assets. Learn more about [assets](#).

Asset Poverty and Liquid Asset Poverty

Asset poverty is defined as a household's lack of savings or financial cushion that limits their ability to sustain temporary financial set-backs and subsist at the poverty level for 3 months. Liquid asset poverty is defined as having insufficient liquid assets (see above) to subsist at the poverty level for three months in the absence of income. Learn more about [asset poverty](#).

BEST™ Index Cost of Living Wage

The Basic Economic Security Tables™, or BEST™ Index, is a cost of living tool that measures how much income families need to meet their most basic expenses. The BEST™ Index is based on real local costs for different family compositions and makes clear how much families in over 100 geographies in Illinois can expect to pay for basic necessities such as housing, health care, transportation, food, child care—and what sort of an income they need to afford these things without additional supports. Learn more about the [Illinois BEST™ Index](#).

Earned Income Tax Credit (EITC)

EITC, sometimes called EIC, is a refundable federal income tax credit for low to moderate income working individuals and families. When EITC exceeds the amount of taxes owed, it results in a tax refund to those who qualify for and claim the credit. Learn more about the [EITC](#).

Foreclosure

Foreclosure is the process of taking possession of a mortgaged property as a result of the mortgagor's failure to keep up mortgage payments.

Food Insecurity

Food insecurity is lack of access, at times, to enough food for an active, healthy life, and limited or uncertain availability of nutritionally adequate food. Learn more about [food insecurity](#).

Head Start

Head Start is a Federal program for preschool children from low-income families. The Head Start program is operated by

local nonprofit organizations in almost every county in the country. Children who attend Head Start participate in a variety of educational activities. Most children in Head Start are between the ages of 3 and 5 years old. Learn more about [Head Start](#).

High School Graduation Rate

In Illinois, high school graduation rates are calculated using the following formula: graduates / original freshmen + transfer in - transfer out or died. Learn more about [calculating graduation rates](#).

Housing Choice Voucher

The Housing Choice Voucher program, sometimes referred to as Section 8, is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses, and apartments. Learn more about the [Housing Choice Voucher program](#).

Income Poverty

Income poverty is defined by the federal government using food cost as a basis. There are two slightly different versions of the federal poverty measure: the poverty thresholds and the poverty guidelines. The poverty thresholds are the original version of the federal poverty measure. They are updated each year by the Census Bureau and are used mainly for statistical purposes—for instance, preparing estimates of the number of people in poverty each year. The poverty guidelines, also called the Federal Poverty Level (FPL), are the other version of the poverty measure. They are issued each year in the Federal Register by the Department of Health and Human Services and are a simplification of the poverty thresholds used for administrative purposes—for instance, determining financial eligibility for certain federal programs. Learn more about [poverty thresholds and guidelines](#).

Medicaid

Medicaid is a jointly funded, Federal-State health insurance program for certain individuals and families with low incomes and few resources. Learn more about [Medicaid](#).

Medicare

Medicare is the federal health insurance program for people who are 65 or older, certain younger people with disabilities, and people with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD). Learn more about [Medicare](#).

Rent-Burdened Households

Households are rent burdened when they spend over 30% of their income on housing. Households are severely rent burdened when they spend over 50% of their income on housing. Renter costs include contract rent plus the estimated average monthly

cost of utilities (electricity, gas, water, and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid by the renter (or paid for the renter by someone else).

Social Security

Social Security is a social insurance program that provides retirement, disability, and survivor benefits to workers and their families. Workers pay payroll taxes while they are employed and employers pay matching contributions. Benefits are paid out as monthly income to support workers and their families in retirement, or when they lose their livelihood due to career-ending disability or death of a family worker. Learn more about [Social Security](#).

Subsidized and Transitional Jobs

Subsidized jobs are those for which the employer receives a subsidy from public funds to offset some or all the wages and costs of employing an individual. Transitional jobs are subsidized jobs that combine work with a separate program of skills and soft skill development to help individuals facing barriers to employment succeed in the workforce. Learn more about [subsidized and transitional jobs](#).

Supplemental Nutrition Assistance Program (SNAP)

Formerly called Food Stamps, SNAP provides low-income families with supplemental income to buy food. Learn more about [SNAP](#).

Supplemental Poverty Measure (SPM)

The Supplemental Poverty Measure is an effort to build on the current federal poverty measure—which many experts agree is outdated and underestimates poverty—and take into account the impact of government benefit programs and tax credits to obtain an improved understanding of the economic well-being of American families and of how federal policies affect those living in poverty. The SPM is a more complex and refined statistic, including such additional items as tax payments and work expenses in estimating family resources. The supplemental measure is not the measure used to estimate eligibility for government programs. Instead, it is an additional macroeconomic statistic, providing further understanding of economic conditions and trends. Learn more about the [SPM](#).

Supplemental Security Income (SSI)

Designed to help aged, blind, and disabled people with little or no income, SSI is a federal income supplement that provides cash to meet basic needs for food, clothing, and shelter. Learn more about [SSI](#).

Temporary Assistance to Needy Families (TANF)

TANF, also called public assistance or welfare, provides cash assistance to very low-income families with children. Learn more about [TANF](#).

Undocumented Immigrant

An undocumented immigrant is a noncitizen without a lawful immigration status who entered the U.S. without proper inspection or was lawfully admitted but whose status expired or was revoked. These immigrants are ineligible for most state and all federal benefits in education, health care, and employment, among others.

Unemployed

Persons are classified as unemployed if they do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work. This definition of unemployment leads to an undercount as people who are discouraged from job seeking or those who are only marginally attached to the workforce (i.e., are not employed but currently want a job, have looked for work in the last 12 months, and are available for work) are classified as “not in the labor force” instead of “unemployed.” Learn more about how [unemployment is defined and measured](#).



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